

**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

The Andhra Pradesh State Property Tax Board - Work Plan submitted by Chairman of the Board for F.Y.2012-13 - Approved - Orders - Issued.

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**MUNICIPAL ADMINISTRATION AND URBAN DEVELOPMENT(TC.1) DEPARTMENT**

**G.O.Ms.No:152**

**Dated:29-03-2012.**

**Read the following:**

- 1) Stipulated Condition No.7 of XIII Finance Commission, vide Para No.10.161 of Chapter 10 of the XIII FC Report.
- 2) G.O.Ms.No.107, MA & UD(TC) Dept., dated 26-3-2010.
- 3) Govt. Memo No.23510/TC.1/2010-1, dated 26-3-2011.
- 4) Letter Roc.No. XIIIIFC/APSPTB/C&DMA/2010, dated.28-03-2011, of the Commissioner & Director of Municipal Administration, AP, Hyderabad.
- 5) GO.Ms.No.117, MA & UD (TC.1) Department, dated:30-03-2011.
- 6) From the Director of Municipal Administration, AP., Hyderabad Letter No.379/XIIIIFC/CDMA/2010, dated:19-03-2012

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**ORDER:**

The 13<sup>th</sup> Finance Commission has allocated an amount of Rs.1918.85 Crores for Urban Local Bodies in Andhra Pradesh for 5 years from 2011-12 to 2014-15 and the allocated Grants were divided into General Basic Grants and Performance Grants. The Performance Grants constitute Rs.664.23 Crores and General Basic Grants Rs.1254.60 Crores. Further, XIIIth Finance Commission stipulated Nine (9) conditions to be fulfilled by 31-03-2011 to access the Performance Grants and the Seventh (7<sup>th</sup>) Condition provides for

- (a). Passage of legislation or issue of instructions for the creation of Property Tax Board.
- (b). Publication of work plan by the Board in State Government Gazette.

2) Accordingly orders were issued establishing Andhra Pradesh State Property Tax Board vide G.O.Rt.No.107, MA&UD (TC.1) Department Dated:26-03-2010 and appointed the Commissioner and Director of Municipal Administration to discharge the functions of the Chairman of Andhra Pradesh State Property Tax Board till a regular Chairman is appointed.

3) In pursuance of the orders issued vide references 2<sup>nd</sup> to 5<sup>th</sup> read above, the Chairman of the Board has submitted the work plan of Andhra Pradesh State Property Tax Board for the year 2012-13 stipulated under condition No.7.b. for approval and publication in the State Gazette vide reference 6<sup>th</sup> read above.

4) The Government have examined the proposal and hereby approve the Work Plan of the Andhra Pradesh State Property Tax Board for the year 2012-13 and the same is annexed as Annexure to this order and sent to the Commissioner, Printing, Stationery and Stores Purchases, Hyderabad for publication in the Extraordinary Gazette dated 31.03.2012.

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5) The Commissioner of Printing & Stationery & Stores purchasing, Hyderabad. is requested to furnish 450 copies to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**Dr.VIJAY KUMAR**  
**SECRETARY TO GOVERNMENT (MA)**

To  
The Commissioner of Printing , Stationery and Stores purchasing,  
Hyderabad(we).  
The Director of Municipal Administration, Andhra Pradesh, Hyderabad.

Copy to:

The Commissioner, Greater Hyderabad Municipal Corporation, Hyderabad.  
The Commissioner, Greater Visakhapatnam Municipal Corporation,  
Visakhapatnam.  
The Commissioner, Vijayawada Municipal Corporation, Vijayawada.  
The Law (A) Department.  
The Finance Department.  
OSD to Minister(MA&UD).  
P.S. to Prl. Secy. (UD) MA & UD Dept.  
P.S.to Secy. (MA) MA & UD Dept.  
SC/SF.

//FORWARDED::BY:: ORDER//

SECTION OFFICER

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## ANNEXURE

### WORK PLAN OF THE ANDHRA PRADESH STATE PROPERTY TAX BOARD FOR THE FINANCIAL YEAR 2012-13

#### Background:

While the recommendations of the 13<sup>th</sup> Finance Commission (CFC), provide for enhanced support to Local Bodies, the CFC itself, in para 10.173, of its report, recognizes, that such enhanced support is no substitute for Local Bodies raising their own tax and non-tax revenues and that Local Bodies must be encouraged to fully exploit those taxation powers which have been assigned to them, by their respective State Governments.

The 13<sup>th</sup> Finance Commission also asserts that there is tremendous scope for improvement in revenue from Property Tax for Local Bodies, even without increasing rates and indeed even without any structural alterations of the basis of levy.

In para 10.80 and 10.82 of the report, and consistent with the above philosophy, the 13<sup>th</sup> Finance Commission further recommends the following measures to be taken up by the States, for fully optimizing this Property Tax Potential by the Local Bodies:

- States should focus on improving Coverage and Collection Efficiency.
- States should establish a Central Valuation Board in order to standardize Property assessment and Valuation (\*\*This suggestions is already implemented by the State of AP, under fulfillment of Nine Stipulated Conditions of 13th FC, during F.Y.2010-11, by constituting the AP State Property Tax Board vide G.O.Ms.No.107, MA&UD (TC) Department, Dated:26-03-2010, to provide assistance and technical guidance to all Municipalities and Municipal Corporations in the state for proper assessment and revision of Property Tax\*\*)
- Broaden the tax base by instituting a Geographic information system for mapping properties in all cities with a population of 1 lakh.

2. In similar lines, the draft report on “Revenue Management in ULBs” proposed for inclusion in the Report of the Comptroller and Auditor General of India for the year ended 31<sup>st</sup> March 2011(Local Bodies) - Andhra Pradesh - , drew focus on the following aspects, akin to those pointed out by the CFC, regarding Property Tax and realizing its full potential in Urban Local Bodies:

- Completeness and Correctness of Database of Properties including GIS Mapping of Properties.
- Coherence between Property Tax Figures (Demand & Collection) maintained by the ULB and CDMA figures (eSuvidha).
- Proper Maintenance of Registers.
- Exploiting the Vacant Land Tax Potential.

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3. Duly adopting the above framework and philosophy for optimizing the Property Tax Potential of Urban Local Bodies and moving towards revenue consolidation & sustainability of the Local Bodies - the following work plan of the AP State Property Tax Board for the Financial Year 2012-13 is published hereunder, for successfully complying with the stipulated condition no 7 & 7 (b) of the 13<sup>th</sup> Finance Commission:

### **3.1 Completeness of Database of Properties:**

3.1.1 While there are 35 Cities in the State with a Population of more than 1 lakh as per 2001 census, a pilot process, in line with the above suggestions of the CFC, i.e., a Geographic Information System, for mapping properties, in all of these 35 cities, will be taken up under APMDP, on priority basis.

### **3.2 Levy and Assessment and Collection of Property Tax in case of all newly constituted Municipalities:**

#### **3.2.1. Area Based Unit Rate System for Property Tax, in newly constituted Urban Local Bodies will be taken up as follows:**

- (a) Placing the services of trained Revenue Staff in new Urban Local Bodies
- (b) Taking approval to take up exercise for introducing Area Based Unit Rate System.
- (c) Trainings to all functionaries in newly constituted Urban Local Bodies concerned.
- (d) Issue of Action Plan for various activities to be taken up.
- (e) Preparation of Manual Registers as per Andhra Pradesh Municipal Act and Rules framed under the Act.
- (f) Migration of Databases into eSuvidha.
- (g) Taking system generated special notices and Demand Bills

### **3.3: Rising of Demand without delay in the Urban Local Bodies:**

3.3.1: The Basis for inclusion of new Properties within the Property Tax Net starts from the Building permission issued by the Urban Local Bodies. If the Construction is not completed within the specified period, the permission shall lapse and a fresh application has to be made before the work is continued. Proper Coordination between the Town Planning Wing and Revenue Wing of the Municipalities will be reviewed and monitored by the Board during Financial Year 2012-13, on priority basis, so as to ensure that the Buildings are brought to assessment without delays from the date of expiry of the sanction concerned.

### **3.4: Property Tax Penalty on Unauthorized Constructions:**

3.4.1 : As per the Provisions in the Municipal Law, all buildings constructed or reconstructed, or any structures raised unauthorisedly, shall be levied with property Tax with a penalty of 10% in case of Municipalities and 25% in case of Municipal Corporations on the amount of tax levied till such unauthorized

construction is demolished or regularised. The Board shall prioritise this item, during Financial Year 2012-13, and shall take necessary steps such as test checks, relooking at the relevant Provisions in eSuvidha for cross checking with building approvals and bringing them into effective implementation etc.

### **3.5 Removing Discrepancies between Urban Local Bodies Property Tax Figures and eSuvidha Property Tax Figures:**

**3.5.1:** A three pronged strategy, as follows, will be adopted by the Board so as to ensure all discrepancies between eSuvidha Property Tax Figures and ULBs Figures are eradicated by October 2012 , so that the correctness of the Demand and Collection can be ensured and also verified by audit:

- ➔ The Assessment Lists of the ULBs and the eSuvidha Database will be brought into coherence and detailed instructions will be issued for carrying out necessary modifications in the eSuvidha Database, through the ULBs themselves as per the provisions in the Municipal Law.
- ➔ Proper of Maintenance of Property Tax Registers such as Assessment Register, Arrear Demand Register, DCB, Monthly Lists etc will be ensured at the ULBs. For this purpose, where necessary the data available in the eSuvidha Application will be adopted/relied upon after the Assessment Lists of the ULBs and eSuvidha Data base are brought in coherence.
- ➔ A regular reconciliation of the two systems shall be made mandatory as part of the periodic ULB returns to be filed before the DMA from October 2012 onwards, on a monthly basis.
- ➔ Periodical Capacity building programs (Training) to Revenue staff and computer personnel on eSuvidha and Revenue Management for every half year would be taken up to improve that action and collections.

#### **Timelines:**

- ➔ Reconciliation of data between eSuvidha System and Manual registers maintained by the ULBs will be undertaken as a regular practice. Data Cleansing will be completed before October 2012.
- ➔ After Data Cleansing, to maintain data coherence ULBs will be required to update data on a day to day basis and generate and print required Registers/Reports through the eSuvidha System itself.
- ➔ Capacity Building: 3 day in house training will be given to Revenue staff and computer personnel in 2 spells June 2012 and December 2012.

**Dr.VIJAY KUMAR**  
**SECRETARY TO GOVERNMENT (MA)**